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THE COTTON PICTURE CHANGES AS GROWERS TRIM PRODUCTION

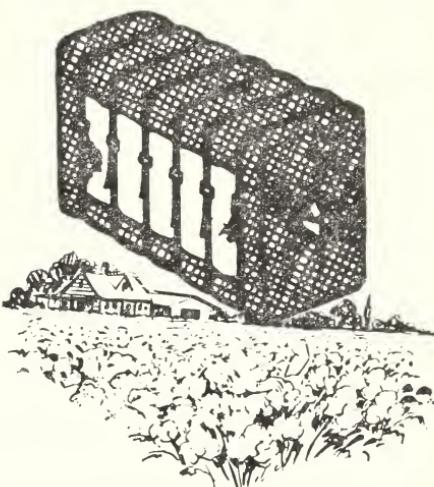
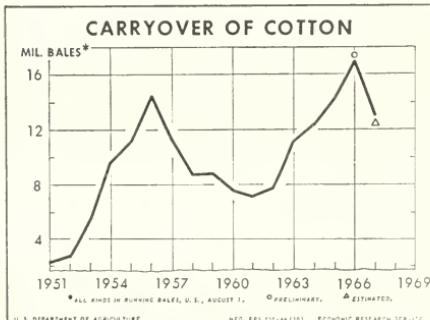
A major cutback in cotton production this fall, plus a likely gain in exports, points to an abrupt halt to the buildup of the past several years in cotton stocks. And by next August, when stocks of all kinds of cotton are totaled, they may be down more than $3\frac{1}{2}$ million bales from the record-high count of nearly 17 million this past August.

During the past 5 crop years, the carryover's growth has averaged about 2 million bales a year because of large crops and declining usage, particularly for shipments abroad. U.S. cotton has thus been in surplus. Indeed, it was the only major crop embarrassed by excess at the start of this crop year.

Why is the outlook different this fall? Something that happened last fall is mainly responsible. In November 1965, a new program went into effect for the 1966 through 1969 crops of upland cotton, the dominant U.S. kind.

Under the program, growers are encouraged through Government payments to plant less than their allotted acreage. At the same time, price support loans are dropped below world price levels to stimulate the movement of cotton into domestic and export markets.

Small production this year, more than one-fourth below 1965, primarily reflects producer response to the pro-



gram. Over 4½ million acres of farm allotments were diverted to soil conserving acreage, trimming planted acreage to the lowest level in nearly a century. Producers could divert up to 35 percent of their farm allotment; many chose this option. They received 10.5 cents per pound on the projected production of the acreage diverted.

Besides getting diversion payments, participants in the 1966-67 program qualify for a loan rate of 21 cents per pound, basis Middling 1-inch cotton at average location, and for price support payments of 9.42 cents per pound on projected production on the domestic allotment (which is 65 percent of the total farm allotment). Farms with 98 percent of the national allotment are participating in the program.

Both exports and domestic use are responding to cotton's improved price position and other factors this year—the effective price is down about 2 cents per pound.

Exports are showing the sharper gain and may total around 5 million bales, a big recovery from last year's very small volume of 2.9 million. During the past year, U.S. exports dropped. There was increased production and smaller consumption in foreign free-world countries, and a slight working down of stocks abroad.

But this marketing year, the export picture looks better because of record-large consumption in other free-world countries—partly reflecting our cotton's improved price position in world markets—and some foreign rebuilding of cotton stocks.

U.S. mill use of cotton this marketing year will likely reach around 9.6 million bales, the most since 1950-51. Reasons: A more competitive price position for cotton, a high level of general economic activity, and large civilian and military purchases of textile products.

The high rate of domestic cotton use in recent months and the low level of mill cloth stocks in relation to unfilled

orders support the outlook for brisk mill usage in 1966-67. The rate of use in recent months has been running 4 to 5 percent above the same months of last year, while the use of competitive fibers—rayon and acetate staple fibers—has generally remained near year-earlier levels.

Military buying of cotton fabric has been at high levels. The raw cotton content of actual deliveries of cotton fabric in recent months has been running at an annual rate of around 120,000 bales. This is up about 20 percent from 1965 and more than double the 1964 level.

Increased domestic demand for cotton textile products has spurred imports. On a raw cotton equivalent basis, U.S. imports of cotton textiles totaled a record 894,400 bales during the crop year ended last July 31. This was 30 percent above the year before.

In contrast to the large imports, U.S. exports of cotton textiles have remained low. They totaled 380,000 bales for the 1965-66 crop year, and 367,000 bales the previous year. Thus, the export-import trade balance has widened.

Expanding demand for cotton textiles in the domestic market has exerted strong pressure on textile prices. The average wholesale value of fabric made from a pound of cotton during the past crop year was 65.15 cents, up more than 2 cents from 1964-65. At the same time, the average price paid by mills for raw cotton used in making fabric averaged 26.49 cents per pound, down about 1 cent from the previous year.

Spot marketing prices for cotton are down sharply this year because of the change in the price support program. However, with the elimination of equalization payments of 5.75 cents per pound to mills during the 1966-67 crop year, the effective price for domestic and export uses is down only about 2 cents per pound.

James R. Donald
Economic Research Service

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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HAVE SYNTHETICS BEEN TRYING HARDER?

The sharply reduced cotton output this fall from last season represents an effort to bring supplies down from burdensome levels, and to make them more closely match the quantity that is consumed.

Why have supplies accumulated over the years? Basically, the loss of cotton's domestic markets to competing fibers is responsible, together with volatility in export markets.

True, there's been a slight uptrend since World War II in U.S. cotton output. Ever-increasing yields per acre have canceled out the effects of a steadily declining total acreage. In 1965, about 15 million bales were produced on 13.6 million acres. Back in 1951, it took 26.9 million acres to turn out 14.9 million bales.

However, considering a growing U.S. population with rising incomes, you might suppose domestic cotton use would at least keep pace with the slight advance in output since World War II. But that hasn't been the case. Competing manmade fibers have eaten into cotton's markets.

From the depression years of the thirties to the early years of World War II, domestic use of all fibers increased from 3.1 billion to 6.9 billion pounds a year. Use declined a little during the next few years, then during the fifties, went up, and by the mid-sixties had reached 8.5 billion.

Domestic use of cotton closely followed the uptrend for all fibers from 1930 to 1942, rising from 2.6 billion to 5.6 billion pounds annually.

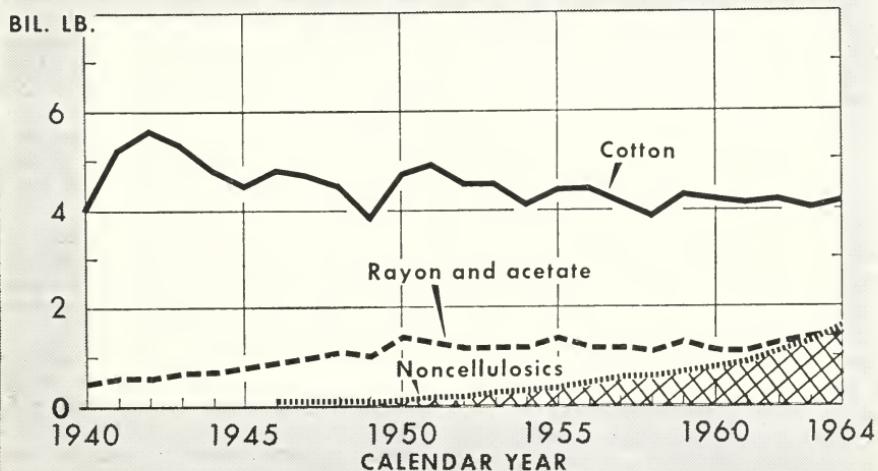
But, from 1945 through 1965, as domestic use of all fibers gained about 14 percent, cotton use slipped roughly 1 percent.

The ever-widening gap between cotton and all-fiber usage is being filled primarily by manmade fibers. Of the total fibers consumed in domestic mills in 1930, cotton accounted for 84 percent; wool, 9 percent; and manmade fibers, 4 percent.

By the mid-sixties, cotton accounted for only about 53 percent, and manmade fibers for almost 43 percent.

C. Curtis Cable, Jr.
Economic Research Service

U. S. CONSUMPTION OF COTTON AND MANMADE FIBERS



CATTLE SITUATION: Favorable This Fall

There were somewhat fewer cattle and calves on farms last January 1 than at the start of 1965. In effect, this slackening of the inventory brought a halt to the buildup in cattle numbers that had been underway since 1958.

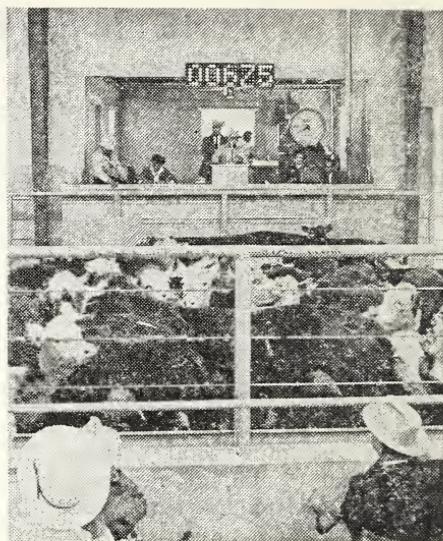
Cattlemen are reducing their beef herds again this year. Although slaughter probably is down slightly during the closing months this year, it was about 6 percent above year-earlier levels during the first 9 months, and the 1966 calf crop was down a bit. As a result, the inventory is dropping maybe 1.5 to 2 percent for the whole year.

This downturn is a little different from those occurring in previous cycles. Weather and prices seemed to trigger the others. But during the decline of the past 2 years, cattlemen have apparently wanted the moderate but immediate returns from the sale of heifers and heifer calves instead of the potential returns from the sale of the get of these females.

The cattle inventory will show a decline for the year. But there are signs that the buildup phase of the next cycle may already be starting. Cow slaughter, up substantially in 1965 and early 1966, began dropping below year-earlier levels in June and has continued reduced since then. For the whole year, it may be down around 6 percent from 1965. Calf slaughter has been off throughout the year and likely will total at least 10 percent below 1965.

True, heifer slaughter has been up sharply; through August, it averaged about 25 percent above a year earlier. But more recent trends suggest the start of a reversal. In September, heifer slaughter was up by only about 5 percent. Also, on October 1, there were only 4 more heifers on feed than a year earlier. In comparison, heifers on feed April 1 were up 19 percent; and on July 1, up 15 percent.

Cattle prices have been strong this year despite the large overall gain in slaughter. Continued strong demand and reduced pork supplies have been the big reasons for the price strength.



Choice steers at Chicago averaged close to \$27 per 100 pounds during January–October, up about \$1 from a year ago, even though marketings out of feedlots were up about 10 percent.

Fed cattle prices are expected to strengthen late this fall and continue strong through the winter. Marketings out of feedlots during the fourth quarter are expected to be up around 7 percent from a year earlier.

If fall marketings are at this level, they will be down from those in the spring and summer months. This winter, marketings are expected to continue above a year earlier, but only by a slight margin. Although prices are expected to strengthen, they likely will average below January–March 1966 levels.

While the outlook for fed cattle prices is generally favorable, heavier market weights or bunched marketings could sharply limit price strength this winter.

Feeder cattle prices have held up well. Choice feeder steers, 550–750 pounds at Kansas City, averaged near \$28 during January–October, up about \$3 from a year ago.

With smaller feeder cattle supplies, due to the increase in steer and heifer marketings and the smaller calf crop, feeder prices are expected to continue strong during coming months and average well above year-earlier levels.

Robert Rizek
Economic Research Service

MEAT IMPORTS RISE

Strong and growing demand for processing meats has boosted imports sharply this year. Imports of items subject to quota (fresh, chilled, and frozen cattle meat, goat meat, and mutton) totaled 526 million pounds during January-August. This was 158 million pounds more than a year earlier.

Secretary Freeman, complying with a provision of the import-quota law, announced on September 29 that meat imports subject to quota are expected to reach 800 million pounds during 1966. This would be 30 percent above last year but well below the 890.1 million pounds permitted by law.

If imports for the year rise as much as expected, they would have to average around 68 million pounds a month during September-December. This would be about 15 percent above the last 4 months of 1965.

HOG RATIO DROPPING

The hog-corn price ratio is no longer the production indicator it once was. But it still pays to keep an eye on it.

When hog prices reached record levels in late 1965 and early 1966 they pulled the hog-corn price ratio up with them. In December 1965 it peaked at 24.9, well above the previous December high of 18.7 in 1946.

Since then the ratio has slipped back down. In August it was 18.3. It is expected to average around 16-17 during the rest of 1966. Next year the ratio is likely to average below 1966 levels. Hog prices may average lower and feed prices higher (due to smaller supplies).

Actually, the ratio got a running start in the latest expansion. When the number of sows bred began to rise in July 1965, the ratio was about 19. At the beginning of the previous hog production expansion in mid-1960, it was about 15. It was 14 when the 1957 expansion began.

The higher ratios reflect the rising importance of production costs other than feed. Nowadays, fixed expenses are a relatively larger share of total costs, even though feed is still the largest single expense item. As a result, the large producer with a signifi-

cant share of his total investment in fixed costs can't respond to price changes as easily as the smaller producer. This is one reason why the December 1965-May 1966 pig crop in the Corn Belt States was only 9 percent above a year earlier, compared with a 12 percent gain for other States.

John Larsen
Economic Research Service

CATTLE ON FEED

Cattle and calves on feed October 1 in 32 major feeding States totaled 7.9 million head. This was 8 percent more than a year ago. All weight groups showed gains.

However, the October 1 number on feed was down 5 percent from 3 months earlier. Last year the quarter-to-quarter change amounted to a 2-percent decline.

Eight percent more cattle and calves were on feed in the North Central States than on October 1 a year ago. Iowa and Nebraska, the leading States, were up 3 and 15 percent. The sharpest gain was 40 percent in Kansas.

The Western Region reported 5 percent more cattle and calves on feed. All States except Arizona, Utah, and Oregon showed increases. The number on feed in California, the leader, gained 2 percent. Colorado, the second ranking State, had 3 percent more.

Cattle and calves placed on feed in the 32 States during July-September totaled 4.5 million head. This was 6 percent above third quarter 1965. Placements were up 13 percent in the North Central States, down 4 percent in the West.



FILLING OUT CARDS BECAME HABITUAL FOR VIRGINIA'S LONG-TIME REPORTERS

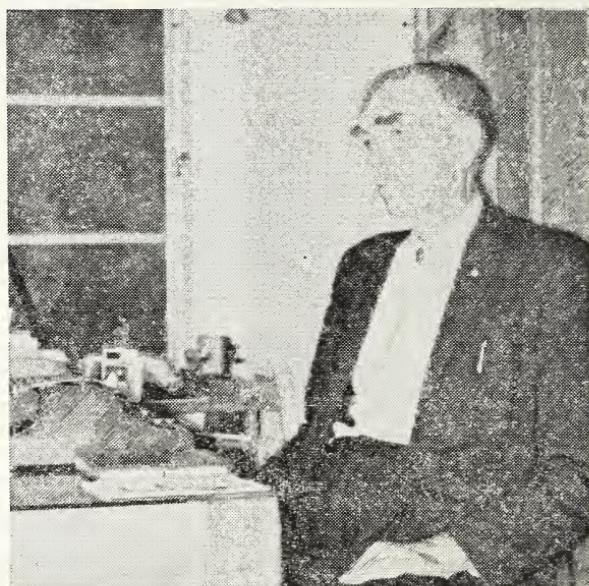
Crop reporters are valuable—period, exclamation point. When they render valuable service for many years they deserve extra notice for their efforts. That's why an important part of the Centennial observance of crop reporting is the honoring of these longtime volunteers.

The Virginia Crop Reporting Service has two such reporters who have been on the job for over 60 years apiece. They are Walter Anglin of Woolwine, Patrick County, and A. B. Evans of Bedford County. Mr. Anglin and Mr. Evans both began reporting in 1906 although they actually had been filling in for their fathers even earlier.

Crop reporting is only one of Mr. Anglin's interests. At 81, he is active in his community and alert to its doings. He has written and published a book and has enough material to do another. His book, "Some Random Observations," reflects a lifetime of living, thinking, and working, his faith in God, and his interest in his family's genealogy.

Although retired from farming, Mr. Anglin still lives on part of his 1,000 acres. He has passed some of his land to his children, and has sold parcels for building sites. Much of what remains is in Christmas trees. He calls the little retirement home he built for himself the "coop." It also serves as his office and depository for his collections of unusual stones, mineral samples, antique farm implements, and the like. In addition, his home contains the many citations and commissions he has received or held.

Besides 25-year, 50-year, and 60-year certificates from the Crop Reporting Service, Mr. Anglin has papers as a notary public (issued by each of the



One of Virginia's longest term crop reporters, Mr. Walter Anglin, at his desk in his home near Woolwine in Patrick County. Mr. Anglin had just been presented a certificate for his 60 years of service.

last 15 governors of Virginia) and as public land surveyor. He served as the postmaster in Woolwine for 35 years, on the local draft board during World War I, and as a local census taker. He still writes and records deeds, serves as trustee and administrator of estates, and provides advice on legal entanglements in the area.

Mr. Anglin recalls attending a one-room school for three or four winters. In it, 25 to 30 children of all ages studied reading, writing, grammar, spelling, arithmetic, history, and geography. The teacher usually was a recent graduate of the same school. His father taught him how to survey land and he got a business education by clerking in a local store.

Mr. Anglin has five children—four sons and a daughter. His wife died in 1941. All the children live in the vicinity of Woolwine, one son in the old family home.

"Our neighbors expressed opposition when I first started as a crop reporter," said C. Evert Dick, an Ohio farmer with 58 years of service. "They claimed the reports would be invading their privacy. But I told them we wouldn't be able to tell what was going on in the way of producing crops and livestock unless everybody let the government people have an idea of what each farmer was doing. It took a while to convince them no names or addresses would be included in the local summary. Then when they saw the early reports, from the State

and the Nation, they didn't hesitate a bit about letting me know about their farming."

Now 84, Mr. Dick raises Hampshire hogs and Hereford cattle on his 129-acre farm in Pickaway County. In addition to crop reporting, he serves on the county school board and is active in the Grange and Masonic Lodge.

At ceremonies where he received a citation for longtime service as a reporter, Mr. Dick said that except for the presentation he would have been home husking corn.

Over in Bedford County, the other veteran of 60 years, Mr. Evans, continues to mail in his reports (general crop) with clocklike regularity. State records show only three misses for him since 1954. He began reporting for his father who couldn't read or write. The elder Evans was of school age during

the Confederacy when public schools were closed.

Born in Bedford County in 1890, Mr. Evans went to a one-room school from age 5 to 13. He then attended a private school for 9 months.

In 1908 he married Alice Maddox. They had 13 children, of whom 11 are living. They have 36 grandchildren and, at last count, 22 great-grandchildren. One son is a merchant marine captain who owns a farm near his parents where he plans to retire.

Mr. Evans began farming on rented land but eventually saved enough to buy his own 100-acre place. Until he retired and sold his land, he raised cattle, hogs, and chickens. As a sideline, he pruned fruit trees.

Mr. Evans served 7 years as a district chairman for the Soil Conservation Service and 5 years as a fire warden.

When his health permits, Mr. Evans loves to hunt deer, squirrels, and rabbits or go on a fox chase. He and his grandson have shot two deer and hope to go hunting this fall.

Mr. A. B. Evans receives a 60-year certificate of service as a crop reporter from Larry Roberson (left), and Earl Finch (right), statisticians of the Virginia Crop Reporting Service headquartered in Richmond.



SAM STAT SAYS "RUN THAT BY AGAIN"

A Recap of Recent SRS Reports . . .

HONEY PRODUCTION HIGHER

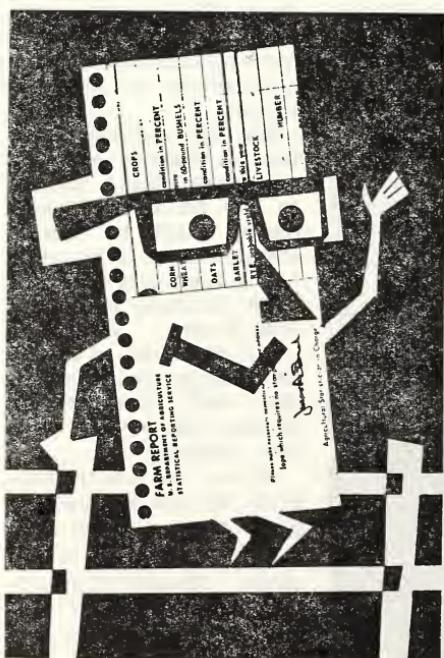
The 1966 honey crop is expected to total 285 million pounds. This is 3 percent above both 1965 and the 1960-64 average. Yield is expected to average 51.7 pounds per colony compared with 50.0 pounds last year. The output estimate is based on 5,510,000 colonies as of July 1, a 1-percent decline from the number in 1965.

CLOVER SEED CROP OFF

Red clover seed production this year is figured at 61.6 million pounds, down 2 percent from 1965. Smaller crops are expected in 13 of the 20 producing States. Red clover seed acreage harvested was up 10 percent from last year. But adverse weather reduced yields.

MORE ALFALFA SEEDS

The 1966 alfalfa seed crop is estimated at 124,531,000 pounds, 2 percent



more than last year but 9 percent less than the 1960-64 average. Production is up in 12 of the 21 States.

In California, the leading producing State, production is down 2 percent. In the Northwest, harvest weather has been favorable and yields are above a year earlier. In all other producing States, the summer was generally dry. Fall weather for harvest was favorable except in the Southwest, where August rains caught some acreage during harvest.

The U.S. acreage harvested for seed this year is estimated at 581,600 acres, 5 percent below last year and 19 percent less than average. The U.S. yield per acre is 214 pounds, compared with 199 pounds last year.

BIGGER CITRUS CROP

Citrus production during the 1965-66 season totaled 8.8 million tons. This was 15 percent above the year before. Orange production was up 16 percent, grapefruit up 13 percent, and lemons up 14 percent. Florida's 1965-66 orange crop of 4.5 million tons was the second largest of record. It accounted for 72 percent of the U.S. total. The value of the 1965-66 citrus crop was \$496 million, 6 percent below the previous season.

MORE TURKEYS PLANNED

Turkey breeder flock owners in 15 turkey States at the beginning of the 1967 hatchery season expect to keep 4 percent more breeder hens than were held a year earlier. Turkey breeders plan to have 13 percent more heavy white hens but 11 percent fewer bronze and other heavy breed hens. All heavy breed hens combined are intended to be up 4 percent. Light breeder hens are expected to be 8 percent more than last year.

Increases in heavy breed hens were greatest in Pennsylvania, Ohio, Texas, and Missouri; Minnesota, Iowa, and Washington showed declines. Light breeder hens are expected to increase in Pennsylvania, Minnesota, and Oregon, but decline in California.



Based on Information Available November 1, 1966

MORE BIRDS, MORE EGGS

Larger production of eggs and poultry is in the offing for 1967. Egg production, which held steady this year, may show the largest rise in more than a decade. The increase would be large enough to temporarily reverse the 15-year downtrend in per capita egg consumption. Broiler output likely will continue increasing about as fast as in 1965 and 1966—5 to 10 percent. Turkey production probably will not match the 11 percent gain in 1966, but may be in line with the increases of the 2 preceding years—or about 5 percent.

WHY?

In expanding output, poultrymen are responding to an extended period of favorable prices. Broiler prices had been rising for the last 2 years—except for some weakness in the fall of 1965, and the sharp recent decline, beginning in October. Turkey prices also were higher in 1965 and 1966 than in 1964. Strength in egg prices didn't emerge until the second half of 1965, but egg prices have averaged the highest since 1958.

THE EGG STORY

Egg production in 1967 may exceed by around 3 percent the 182 million cases expected in 1966. Output during the first quarter of 1967 could be up as much as 5 percent above a year earlier, barring unusually severe weather. At the beginning of October, there were 386 million potential layers on farms—4 percent more than on that date last year. Most of this gain should carry through to the number of

layers at the beginning of 1967. The record-large hatches of replacement chicks in recent months probably will keep the Nation's flock larger than a year earlier—at least through next summer. In addition, with more young layers, the rate of lay in 1967 may post a larger than average gain—more than the 1 percent per year in 1961–65.

EGG PRICES DECLINE

Prices, dropping recently, are expected to continue to decline over the next several months. During the first quarter of 1967, they are likely to average much below current levels as well as the relatively high prices of January–March 1966. If egg production expands as much as expected, egg prices may run below the 1966 level throughout most or all of 1967, although the difference probably will narrow as the year progresses.

SLOWDOWN IN BROILER OUTPUT?

Broiler production is expected to continue above a year earlier in early 1967, as hatchery supply flocks expand. In recent months, the Nation's broiler breeder flock was about 10 percent larger than a year earlier, but in early 1967 it will be up about 15 to 20 percent. Hatchery activity in 23 States over the past few weeks suggests that broiler production at the start of 1967 will be 5 to 10 percent above the 1966 level. Output may move further above a year ago during the early months of 1967. But as the year progresses, the rate of expansion probably will be cut back in response to lower broiler prices and higher production and marketing costs. Feed costs in particular are likely to average appreciably above a year earlier during the first half next year.

BUILDUP FOR TURKEYS

The turkey industry appears to be gearing up for another increase in output in 1967. Owners of turkey breeder hens, as of October 1, reported plans to keep 4 percent more breeders at the beginning of the 1967 hatching season than in September. Intentions to keep more breeders was borne out by the large increase over a year ago in the number of turkeys tested for pullorum disease by State agencies. Although it is too early to make a final forecast, turkey production in 1967 is expected to increase about 5 percent.

LOWER PRICES FOR SMALLER BIRDS

Turkey prices early in 1967 are expected to run below this year because of greater competition from other meats. Prices for the smaller turkeys, which compete more directly with other meats, are likely to be most affected. Tom prices early next year are expected to continue benefiting from further growth in the demand for convenience foods utilizing turkey meat.

GETTING FACTS ON FARM WAGES, LABOR

Crop Reporters Help SRS do the Job

The statistical story of the Nation's agriculture covers more than just crops and livestock. It also includes an accounting of the people who produce the goods, plus the wages they earn from farm work.

SRS puts out a monthly report on farm labor. Last month's issue, for example, showed the Nation's farm labor force at 6.2 million persons as of late September. This was slightly above a month earlier but down 6 percent from the like period last year.

Early reports on farm employment dealt mainly with farmworker supply and demand, and the resulting wage fluctuations.

Today, the complete farm labor series gives annual estimates of total U.S. farm employment since 1910, monthly estimates starting in 1940 for the country and its geographic areas, plus monthly and annual averages by States from 1950.

Monthly estimates also show a comparison of farm family workers and hired hands.

To keep pace with the changing farmworker force, SRS relies on monthly survey information from 30,000 farm reporters. Their replies, by State, give a sample basis from which the average number of family and hired workers per farm is estimated. These findings, multiplied by the number of farms in a State, produce the State estimate of farmworkers.

Enumerative surveys, with farms selected by probability sampling methods, are being used increasingly as a means of enhancing the accuracy and usefulness of the data.

In the reports, a farmworker is counted if he is an operator doing any work on his own farm during the survey week, a member of an operator's family who works at least 15 hours, even if he doesn't get paid, or a paid worker hired for 1 hour or more.

The farm wage series hails from the beginning of the Department's reporting activity in 1866. Surveys were on an irregular basis until 1909, then annually through 1923. But since then, data have been collected quarterly.

Farm wage information comes by way of the crop reporter corps. Responses to mailed inquiries tell of average rates paid to hired farm labor in reporters' localities.

Data are summarized in the SRS State offices. This information, together with recommendations from the State Statisticians, is reviewed in Washington for consistency.

Data on cash wage rates are published for the several most important hiring arrangements between farmers and hired workers.

Statistical Reporting Service

Work Seasonality Poses Problems

Specialization abounds everywhere today—in schools, jobs, and agriculture.

With the increasing specialization by farmers producing only the crops best suited to a particular region is coming the demand for workers needed only in conjunction with the seasonal requirements of the crops. This means that large numbers of workers may be needed for brief periods, giving rise to long periods of unemployment and its accompanying difficulties.

For example, fruit and vegetable workers in Stanislaus County, California in 1962-63 were generally under-employed, according to a survey by the California Agricultural Experiment Station in cooperation with the Economic Research Service.

These workers' earnings were about one-third those of wage earners in non-farm occupations. Many did seasonal farm work only until they found more dependable employment.

Growers, also affected by this unstable labor situation, were interested in establishing a reliable labor force.

The survey suggests two changes in the seasonal labor situation that would help both worker and grower: Development of year-round work opportunities, and establishment of a local seasonal labor force for peak periods.

PROCESSED GOODS EDGING THE FRESH At Fruit and Vegetable Counters

Consumers have stepped up their consumption of processed fruits and vegetables at the expense of the fresh items.

There are several reasons. One is the growing demand for built-in services in food—services that consumers have been more prone to call for as their incomes have risen.

Another reason is that some processed goods apparently appeal more to consumers' tastes than fresh products.

Also, the consumer often gets a better price bargain—considering built-in services and the like—on some foods in processed form. For example, retail prices for fresh fruits and vegetables in 1953-65 increased 37 percent, compared with a gain of 9 percent for processed products.

During the same time, the farm-retail spread for fresh fruits and vegetables climbed 37 percent, while the increase in the spread for processed produce was only 5 percent.

Since the farm-retail spread is a measure of the cost of marketing, these contrasts apparently pointed to two things that have worked to the ad-

vantage of processors over fresh marketers. Processors evidently have gotten more benefit from new technologies that have developed. And they have capitalized to a greater extent on the economies of scale.

Consumers, seeing the price advantages of processed foods and also wanting the conveniences, have leaned toward the canned and frozen-food counters.

Keen competition among processors and among the types of processing has generated more effort to develop better methods of processing. But the marketers of fresh fruits and vegetables have met with only limited success in increasing the efficiency of their marketing system.

Bigger volumes of fruits and vegetables will be marketed in the years ahead. However, the extra quantities are only expected to correspond to the growth in population. Thus, per capita consumption of fruits and vegetables is expected to stay about at present levels, but further shifts from fresh to processed items are expected.

Economic Research Service

MILK'S BELLWETHER STATE: WISCONSIN

As Wisconsin goes, so goes the Nation, at least in dairying. Since Wisconsin is our leading dairy State, its dairying trends underly those for the whole industry.

In Wisconsin last year, the long-time gain in production per cow and in total milk output reversed. Also, output per cow in the first half of 1966 was down 2 percent from a year earlier. Total output fell nearly 6 percent.

The story was somewhat similar for national totals. Although output per cow in the first half this year rose 1.5 percent, total output fell 3.2 percent.

Cow numbers in Wisconsin have been declining steadily for some time. But in 1965 the rate was more than triple the 1960-64 average. The rate of decline in number of farms with dairy cattle also accelerated, dropping five times faster than cow numbers from 1960 to 1965.

Characteristics of farmers who disposed of their dairy herds between November 1964 and February 1966 were recently studied by the Wisconsin State Department of Agriculture. The study showed that farmers who quit dairying had herds averaging 20 cows compared with 24.5 for the State.

A third of the group stayed in farming after disposing of dairy herds. However, only 5 percent said they would consider going back into dairying under conditions at the time of the survey.

Thirty-six percent of the farmers left dairying for off-farm jobs.

When asked their reasons for quitting, a fifth of the farmers said low income. About 31 percent gave personal reasons—advanced age, ill health or handicap, retirement.

N. D. Kimball
Economic Research Service

SHE'S YOUR MARKET; WHAT ARE HER IDEAS ABOUT FRESH FRUITS?

You might think most folks would rather have their apples or peaches as they come off the tree than have to open a can, a box, or jar to get at their favorite fruit.

And perhaps they would, yet use of fresh noncitrus fruits per person during the past two decades has declined, while use of processed fruits has gained.

Some reasons for these conflicting trends are fairly apparent. But what is not so readily apparent, and what growers and producer organizations would like to know more about, is consumer opinion about the various fruits and products. Armed with such information, the industry could act to tailor products more closely to consumers' desires.

To get an idea of what consumers think of various noncitrus fruits and products, SRS recently surveyed some 2,500 homemakers.

Nearly every household used some fresh fruit—bananas, apples, grapes, peaches, pears, plums or prunes, sweet cherries, nectarines, pineapple, or apricots during the year of the survey.

Only 3 percent reported no purchases of the canned fruits included in the study. Between about 30 and 85 percent of the homemakers had used each of nine canned fruits—pineapple, peaches, pears, apricots, sweet cherries, sour cherries, apples, plums or prunes, and fruit cocktail or salad.

When asked about their use of four fruit juices (grape, pineapple, prune, and apple), from 38 to 63 percent of the homemakers, depending on the kind of juice, said they had used some in the past year.

The homemakers answered a gamut of questions about their use of fruits, ranging from where and when they bought their fresh fruit to how they would increase the sale of fresh fruit in stores.

Here is how some of the replies added up:

Man's oldest fruit, the apple, is still a perennial favorite. Better than 9



out of 10 of the responding homemakers said they had bought fresh apples in the past year. These were most frequently eaten raw or "out-of-hand." More than half the homemakers also used them in salads. Further, about half made applesauce from the fresh fruit. All told, about 8 out of every 10 homemakers used fresh apples for some kind of cooking or baking.

Although nearly all the homemakers liked most of the fresh fruits, nonbuyers of specific fruits gave many reasons for not having bought them in the past 12 months. The main reason for not purchasing apples, grapes, peaches, pears, and plums (or prunes) was that they had a homegrown source of supply.

Some had not bought apricots or nectarines because the fruits were hard to come by, or in the case of nectarines, some of the homemakers were unfamiliar with them.

Over half the homemakers said they had not bought cherries or pineapples. The main reasons for nonpurchase were that these fruits were too expensive or difficult to prepare.

When asked how they would increase the retail sale of fresh fruit if they were managers of stores, the homemakers came up with many ideas. Leading the list was the suggestion to display only high-quality fruit. Also, they suggested: Improve displays, lower prices, run more frequent sales, present cleaner fruit on cleaner counters, and increase advertising.

MEET THE STATE STATISTICIAN . . .

JAMES KOEPPER

"When I put the cover on the calculator for the last time, I've got a lot of camping, hunting, and fishing to catch up on," says Jim Koepper, Kentucky's agricultural statistician in charge.

Not that James M. Koepper, at 48, is considering retirement anytime soon for himself. The subject just has been on his mind, since he persuaded his dad and mother, last year, to retire from the farm he grew up on in Brownstown, Ind.

It was on that hill farm that the elder Koeppers specialized in poultry—about 3,000 layers—and later branched out to row crops and livestock when Jim grew large enough to manage a team of mules.

He admits he shed a tear or two when the old home place was sold. In a way he hated to see the folks break away from the hills he roamed as a boy. He went to a small high school in Medora, Ind., and after graduation received a 4-year scholarship to DePauw University. He majored in botany.

The aspiring botanist spent a summer in the Big Horn Mountains, Wyoming, and the next year tagged along with the head of the Botany Department to Honduras where they collected plants. They were lucky, Jim tells us, to be the first to collect specimens from a certain isolated section—a small desert area in the interior of Honduras behind the coastal rain forests. They discovered some 50 new species, and the taxonomists who classified the plants named some after Jim—*Diascoria koepperii*, *Peperomia koepperii*, and *Eugenia koepperii*.

After graduation, Jim did postgraduate work at Kansas State College, where he won both an MS in plant pathology and his favorite girl, Mae Glanville. Mae left nurse's training in 1940 to marry him. Then he attended Iowa State College and worked a year toward a Ph. D.

His first job as a professional was with the old Agricultural Marketing



Service in Florida. His next assignment was in Alabama. Except for duty with the Navy during World War II, he has been with the crop and livestock service ever since.

During the war, he served in the South Pacific, mostly as an executive officer on an LST.

As statistician in charge in Louisville, he is on his third hitch in the Bluegrass State. Between times there were a couple of transfers to the Washington office.

Jim likes the diversified field work and close contact with the farmers in his adopted State. Each of Kentucky's crops presents a challenge worth meeting, according to Jim.

Although some 40 percent of the cash crop in Kentucky is tobacco, farming in the State is quite varied. Corn is an important crop and there are abundant green pasture lands. Beef cattle numbers have almost doubled in the last decade; now about half the State's total farm income derives from livestock and livestock products.

Jim and Mae have two children. Mike graduated from the University of Cincinnati in June with a degree in architecture. He is now a Peace Corps man in Guyana. Pat, their daughter, is a senior in high school in Louisville.

Jim and Mae are active in local civic, church, and professional groups.

Another fall's harvest is about done. It's the season for the younger bucks to begin planning how they'll do a better farming job next time around.

It's also when the older folks get to musing over how many more harvests they'll be handling.

Some with sons in college may also be pondering how much longer their farms will stay in the family. Sure, the father reassures himself, the boy still wants to farm. And he's getting a good agricultural education.

But you never can tell. Lots of city jobs might pay more. And they may become pretty appealing, especially if you haven't at least begun talking with him about how he'll fit into your farm's future.

If by chance you've put off discussing such things with him, the holiday season coming up is an ideal time.

Why? Because your farm's future may well depend on him. In a recent study, Cornell Agricultural Experiment Station economists in cooperation with the Economic Research Service asked some ex-farmers in northern New York why they had quit farming. Although this was in a low-income dairy area, the leading reason wasn't because of finances. Instead, it was because of a lack of family help or interest in the business.

But is your son ready for such discussions? Despite his seeming preoccupation with college goings-on and topics like the Vietnam affair, he'll likely welcome a frank session on his farming future. After all, he's only a few years, at most, from starting his career.

Perhaps more critical than his readiness for such a discussion, though, is your readiness to cope with the kinds of questions he might raise. Have you, for example, figured out how the farm is going to support his future family, as well as yours—at least until your financial needs substantially lessen? Do you plan to pay for any needed expansion, or do you expect him to?

This calls for careful thought. Most successful father-son farming deals undoubtedly have come from close mutual understanding of all the opportunities and pitfalls. For lack of understanding, many more such endeavors have likely foundered.

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